

ECONOMIC ESTIMATES COMMISSION

Department of Revenue Building



Janet Napolitano
Governor

Gale Garriott
Chairman

Elliott D. Pollack
Member

Alan E. Maguire
Member

February 24, 2006

The Honorable Janet Napolitano
Governor, State of Arizona
1700 West Washington
Phoenix, AZ 85007

The Honorable Ken Bennett
President, Arizona State Senate
1700 West Washington, Senate Wing
Phoenix, AZ 85007

The Honorable James Weiers
Speaker, Arizona House of Representatives
1700 West Washington, House Wing
Phoenix, AZ 85007

Dear Governor Napolitano, President Bennett, and Speaker Weiers:

Pursuant to Section 21, Article 9 of the Constitution, the Economic Estimates Commission is submitting the preliminary aggregate expenditure limitation for fiscal year 2006/07 for school districts. The fiscal year 2006/07 limit of \$4,926,222,832 is computed as shown on the attachment. This expenditure limit represents an increase of 6.4% over the final fiscal year 2005/06 expenditure limit of \$4,629,777,368.

Please contact Diane Sosinski in Economic Research and Analysis at (602) 716-6797 if you have any questions.

Sincerely,

ECONOMIC ESTIMATES COMMISSION

Gale Garriott, Chairman

GG:dls

CALCULATION FOR PRELIMINARY AGGREGATE EXPENDITURE LIMITATION FOR SCHOOL DISTRICTS

2005/06 Student Count	X	Final		X	1979/80 Aggregate Base Limit	=	FY 2006/07 Aggregate Expenditure Limit for School Districts	X	Voter Approved 10% Increase	=	PRELIMINARY FY 2006/07 AGGREGATE EXPENDITURE LIMIT FOR SCHOOL DISTRICTS
		2005 GDP Implicit Price Deflator	1978 GDP Implicit Price Deflator								
910,145	X	112.113	X	X	\$985,544,934	=	\$4,478,384,393	X	1.10	=	\$4,926,222,832
490,754		45.757									

STUDENT COUNT SOURCE: Department of Education
GDP SOURCE: B.E.A. "Survey of Current Business", February 2006